

PURCHASE MONEY NOTE

\$

Greensboro, North Carolina
_____, 200__

For value received, the undersigned promises to pay to the order of GREENSBORO HOUSING DEVELOPMENT PARTNERSHIP, INC., the full sum of \$_____ without interest on the first to occur of the following dates:

- A. When the Maker(s) of this Note transfer(s) or sell(s) the property which secures payment of this Note; or
- B. Upon payment in full or default under the construction loan of even date; or
- C. On that date which is the later of (1) 360 days from this date or (2) the last closing date specified in a contract of sale from Builder to a purchaser of a residence constructed in accordance with the Builders Agreement between Maker(s) and Greensboro Housing Development Partnership, Inc.; or
- D. On April 1, 2007.

Upon the first to occur of the foregoing events this Note shall immediately become due and payable. In the event that it is not paid in full at that time, it shall bear interest at the rate of sixteen percent (16%) per annum compounded annually from the date of this instrument until it is paid in full.

Maker(s) may prepay in whole or in part at any time without penalty. All payments shall be applied first to payment of interest then accrued (if any) on the unpaid principal balance, with the remainder applied to the unpaid principal.

Should there be a default in the payment of this Note as it shall become due, or should there be a breach in the observance of any of the covenants contained in the Purchase Money Deed of Trust which secures the payments of this Note, then and in either or said events, the full amount of this Note shall immediately become due and payable at the option of the holder hereof, and the Purchase Money Deed of Trust which secures payment of the Note, subject to immediate foreclosure.

All parties to this Note, including maker(s) and any sureties, endorsers, or guarantors hereby waive protest, presentment, notice of dishonor, and notice of acceleration of maturity and agree to continue to remain bound for the payment of principal, interest and all other sums due under this Note and the Deed of Trust notwithstanding any change or changes by way or release, surrender exchange, modification or substitution of any security for this Note or by way of any extension or extensions of time for the payment of principal and interest; and all such parties waive all and every kind of notice of such change or changes and agree that the same may be made without notice or consent of any of them.

Upon default, the holder of this Note may employ an attorney to enforce the holder's rights and remedies, and the undersigned agree(s) to pay the holder the sum of fifteen percent (15%) of the outstanding balance owing on said Note as reasonable attorney's fees, plus all other reasonable costs and expenses incurred by the holder in exercising any of its rights and remedies upon default.

This Note is given to secure the purchase price and is secured by a Purchase Money Deed of Trust of even date herewith to L. James Blackwood, II, Trustee, which is a lien upon the property therein described.

IN TESTIMONY WHEREOF, the Maker(s) has or have caused this instrument to be executed and his, her or its seal to be affixed as of the day and year first above written.

ATTEST:

By: _____
_____, President